

## Message Text

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PAGE 01 EC BRU 02067 01 OF 02 051854Z

61

ACTION EUR-25

INFO OCT-01 ISO-00 IO-14 OIC-04 SAJ-01 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SP-03 SS-20 USIA-15 SWF-02 AID-20 CEA-02

COME-00 EB-11 FRB-02 CIEP-02 STR-08 TRSE-00 LAB-06

SIL-01 SAM-01 OMB-01 AGR-20 AF-10 FEA-02 SCI-06 INT-08

ARA-16 EA-11 DRC-01 /249 W

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R 051745Z APR 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6681

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

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E.O. 11652: NA

TAGS: PGOV, PFOR, EEC

SUBJ: JOINT DECLARATION OF THE EC COUNCIL AND EC COMMISSION

PRESIDENTS ON THE STATE OF THE EUROPEAN COMMUNITY

REF: EC BRUSSELS 2025

BEGIN UNCLASSIFIED

1. EC COUNCIL PRESIDENT SCHEEL AND EC COMMISSION PRESIDENT

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PAGE 02 EC BRU 02067 01 OF 02 051854Z

ORTOLI PRESENTED A JOINT DECLARATION ON THE STATE OF THE

EUROPEAN COMMUNITY TO THE APRIL 1-2 SESSION OF THE COUNCIL OF MINISTERS (REFTEL). THE STATEMENT RECAPITULATES THE MAIN TASKS BEFORE THE EC WHICH REQUIRE EARLY PROGRESS IF STAGNATION IN THE COMMUNITY IS TO BE AVOIDED. THE DECLARATION RESULTS FROM A DISCUSSION ON THE STATE OF THE COMMUNITY, STIMULATED BY BELGIAN FOREIGN MINISTER VAN ELSLANDE, AT THE COUNCIL MEETING OF FEBRUARY 4 (EC BRUSSELS 738). THAT DISCUSSION DREW ON SCHEEL'S REPORT TO THE COUNCIL ON THE WORK PROGRAM OF THE COMMUNITY DURING THE GERMAN PRESIDENCY IN THE FIRST HALF OF 1974 (A-16 OF JANUARY 23), AND ORTOLI' DECLARATION OF JANUARY 31 WHICH SOUNDED THE TOCSIN OF THE COMMUNITY'S FAILURE TO MAKE PROGRESS IN ITS MANY TASKS (EC BRUSSELS 657). THE COUNCIL SESSION OF APRIL 1-2 TOOK NOTE OF THE SCHEEL-ORTOLI DECLARATION AND AGREED TO RESUME ITS EXAMINATION OF THE CONCRETE SUGGESTIONS IT CONTAINED AT A SUBSEQUENT MEETING. A SUMMARY OF THE JOINT DECLARATION FOLLOWSS.

2. THE DECLARATION BEGINS BY EMPHASIZING THAT THE COMMUNITY'S GUIDING PRINCIPLES IN THE COMING MONTHS MUST BE TO PROTECT THE "ACQUIS COMMUNAUTAIRE" (THIS IS, THE PAST ACHIEVEMENTS OF THE COMMUNITY), TO PREVENT DISINTEGRATION, AND TO GIVE A NEW IMPUSE TO THE COMMUNITY, PARTICULARLY IN THE SECTORS IN WHICH IMPORTANT DECISIONS ARE PENDING. THE REPORT LIMITS ITSELF TO CONCRETE ISSUES OF IMPORTANCE AT THE PRESENT TIME, ISSUES ON WHICH PROPOSALS MUST BE TRANSLATED INTO ACHIEVEMENTS AS SOON AS POSSIBLE.

3. CITING INFLATION AS THE MOST DANGEROUS OF THE DESTRUCTIVE FORCES THREATENING THE COMMUNITY AT PRESENT, THE REPORT CALLS FOR THE IMPLEMENTATION OF THE PRINCIPAL INSTRUMENTS OF A COMMUNITY POLICY ON ECONOMIC AND MONETARY UNION (EMU)--THE DIRECTOVE ON STABILITY, GROWTH AND FULL EMPLOYMENT, AND THE DECISION ON CONVERGENCE OF ECONOMIC POLICIES AGREED ON IN FEBRUARY (EC BRUSSELS 1058). THE TWO PRESEDENTS STATED THE GENERAL RESUTION ON PASSAGE TO THE SECOND STAGE OF EMU SHOULD BE ADOPTED WITHOUT DELAY. IN ORDER TO PERMIT PROGRESS TOWARD EMU, IT WAS ALSO NECESSARY TO REDUCE REGIONAL DISEQUILIBRIA BY SETTING UP THE REGIONAL FUND AND REACHING AGREEMENT ON THE OUTSTANDING QUESTIONS OF THE TOTAL SUM WHICH THE FUND WOULD HAVE AT ITS DISPOSAL, AND THE WAY IN LIMITED OFFICIAL USE

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PAGE 03 EC BRU 02067 01 OF 02 051854Z

WHICH RESOURCES WOULD BE DIVIDED AMONG RECIPIENTS STATES.

4. IN THE ENERGY SECTOR, THE COUNCIL MUST ADOPT WITHOUT DALAY THE PROPOSALS ALREADY MADE BY THE COMMISSION (EC BRUSSELS 362). THE COMMISSION WILL ALSO PRESENT IMPORTANT AND WIDE-RANGING ADDITIONAL PROPOSITIONS TO THE COUNCIL'S SESSION ON MAY7. THESE PROPOSALS WILL ENCOMPASS THE PROBLEMS OF SUPPLY AND CONSERVATION OF ENERGY, AND ORDERLY FUNCTIONING OF THE

MARKET.

5. AS A RESULT OF THE ENTRY INTO FORCE JANUARY 1, 1975, OF THE SYSTEM OF FINANCING THE COMMUNITY'S EXPENDITURES THROUGH ITS OWN RESOURCES ("RESSOURCES PROPRES"), THE REPORT DECLARES THAT IT IS NECESSARY TO ADOPT PROPOSALS CONCERNING THE REINFORCEMENT OF THE BUDGETARY AUTHORITY OF THE PARLIAMENT.

6. IN THE AREA OF EXTERNAL RELATIONS, THE REPORT CALLS FOR:

1) A DECISION BY THE COUNCIL ON THE COMPLEMENTARY MANDATE NEEDED TO CONCLUDE NEGOTIATIONS WITH THE MEDITERRANEAN COUNTRIES; 2) A DECISION BY THE COUNCIL ON COMPLEMENTARY DIRECTIVES FOR THE NEGOTIATIONS WITH THE AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES; 3) THE COMPLETION OF THE NEGOTIATIONS WITH THE COMMUNITY'S TRADING PARTNERS ON GATT ARTICLE XXIV:6 ISSUES; AND 4) PROGRESSIVE REALIZATION OF A GLOBAL DEVELOPMENT AID POLICY.

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PAGE 01 EC BRU 02067 02 OF 02 051857Z

73

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LIMITED OFFICIAL USE SECTION 2 OF 2 EC BRUSSELS 2067

7. IN ORDER TO CARRY OUT THESE BASIC DECISIONS, THE PRESIDENTS CONCLUDE, IT WILL BE NECESSARY TO IMPROVE THE DECISION-MAKING PROCESS AS AGREED ON AT THE 1972 PARIS SUMMIT. IN THIS CONNECTION THEY MAKE THE FOLLOWING CONCRETE PROPOSALS: 1) THE COUNCIL SHOULD MAKE EVERY EFFORT TO REACH DECISIONS WITHIN A REASONABLE TIME, PARTICULARLY WHICH A MAJORITY WISH IS CLEAR, BY MAKING USE, FOR EXAMPLE, OF ABSTENTIONS; 2) THE POLICY ROLE OF THE COUNCIL AS A EUROPEAN EXECUTIVE SHOULD BE REINFORCED; THUS, THE REPORT PROPOSES THAT EVERY GENERAL COUNCIL MEETING (I.E., OF FOREIGN MINISTERS) BEGIN WITH A CLOSED SESSION FOR MINISTERS AND STATE

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PAGE 02 EC BRU 02067 02 OF 02 051857Z

SECRETARIES TO PERMIT A REPORT BY THE PRESIDENT ON THE STATE OF THE WORK PROGRAM AND A FULL AND FRANK DISCUSSION; 3) THE COMMITTEE OF PERMANENT REPRESENTATIVES TOGETHER WITH THE PRESIDENT OF THE COMMISSION SHOULD MEET IN THE WEEK PRECEDING EVERY COUNCIL SESSION TO PREPARE THE AGENDA AND TO DEFINE THE PRINCIPAL POLICY QUESTIONS ON WHICH THE COUNCIL SHOULD CONCENTRATE; 4) THE GOVERNMENTS OF THE MEMBER STATES SHOULD GIVE THE COMMITTEE OF PERMANENT REPRESENTATIVES INCREASED POWERS OF NEGOTIATIONS TO PERMIT MORE DECISIONS TO BE TAKEN AT THAT LEVEL; 5) THE COMMISSION SHOULD BE GIVEN GREATER RESPONSIBILITY UNDER ARTICLE 155 (PARAGRAPH FOUR) OF THE EEC TREATY WHICH SAYS THAT THE COMMISSION "SHALL EXERCISE THE POWERS CONFERRED ON IT BY THE COUNCIL FOR THE IMPLEMENTATION OF THE RULES LAID DOWN BY THE LATTER."

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8. BEGIN LIMITED OFFICIAL USE. COMMENT. BOTH THE PRESIDENT OF THE COUNCIL AND THE PRESIDENT OF THE COMMISSION HAVE BEEN AT A LOSS SINCE THE SUBJECT WAS FIRST TABLED LAST JANUARY AS TO WHAT "CONCRETE ACTION" COULD BE TAKEN TO "IMPROVE" THE CONDITION OF THE COMMUNITY. IN A NOT ATYPICAL REPORT TO PROCRASTINATION, THE COUNCIL SESSION IN FEBRUARY DECIDED THAT SCHEEL AND ORTOLI SHOULD COLLABORATE ON A PAPER WHICH WOULD BE THE BASIS FOR A RENEWED DISCUSSION OF THE SITUATION IN THE COMMUNITY AT A LATER COUNCIL SESSION. THE DOCUMENT PRESENTED TO THE APRIL 1-2 COUNCIL SESSION HAD VERY LITTLE PURPOSE OTHER THAN TO DISCHARGE THE OBLIGATION LAID ON THE TWO PRESIDENTS IN FEBRUARY. MOREEVER, KNOWING THAT THE COUNCIL SESSION OF APRIL 1-2 WOULD BE CONCERNED PRINCIPALLY WITH THE TOUCHY QUESTION OF THE BRITISH STATEMENT ON RENEGOTIATION OF THE TERMS OF ENTRY, THE PRESIDENTS

DID NOT WISH TO INTRODUCE A SECOND DISCORDANT NOTE BY PRESENTING  
THE MINISTERS WITH A REAL BASIS FOR A DEBATE ON THE PRESENT  
DIFFICULTIES IN THE COMMUNITY. THE DOCUMENT THEREFORE SMACKS  
TO A LARGE EXTENT OF PIE IN TH SKY IN ITS FAILURE TO  
CORRESPOND TO THE REALITIES OF TODAY'S POSSIBILITIES IN  
THE COMMUNITY. END LIMITED OFFICIAL USE.GREENWALD

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